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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

L3Q

For the quarterly period ended February 29, 1992

EUROAMERICAN GROUP, INC.
(Exact name of registrant as specified in its charter)

| Delaware | 0-17483 | 13-3477824 |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

RECEIVED MAY 01 1992

50 Broad Street, Suite 516, New York, New York 10004
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 269-6686

(not applicable)
(Former name or address, if change from last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

As of April 14, 1992, 10,840,000 shares of Common Stock were outstanding.

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## PART I - FINANCIAL INFORMATION

**Item 1. Financial Statements.**

The financial statements are provided beginning with page 3 herein.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The required discussion immediately follows the financial statements beginning with page 7 herein.

## PART II - OTHER INFORMATION

**Items 1 through 5.**

Not applicable.

**Item 6. Exhibits and Reports on Form 8-K (§ 249.308 of this chapter).**

(a) No exhibits are being filed with this Form 10-Q.

(b) In February 1992, the Registrant filed a Form 8-K refelecting the issuance of 4,200,000 shares of Registrant's Common Stock on February 1, 1992 in exchange for $700,000 and 100% of the issued and outstanding shares of EuroAmerican Group, PLC, an English public limited liability company.

EUROAMERICAN GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

| | February 29, 1992 (Unaudited) | May 31, 1991 |
|---|---|---|
| **ASSETS** | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 910,947 | $ 197,285 |
| Accounts receivable | 360,862 | 253,843 |
| Inventory | 381,638 | 228,333 |
| Foreign taxes receivable | 34,724 | 66,196 |
| Prepaid and other | 62,062 | 29,630 |
| TOTAL CURRENT ASSETS | 1,750,233 | 775,287 |
| PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, less accumulated depreciation and amortization | 463,154 | 270,528 |
| DEPOSITS AND OTHER ASSETS | 37,012 | 25,007 |
| | $2,250,399 | $1,070,822 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | $ 925,359 | $ 763,830 |
| Current portion of obligations under capital leases | 8,400 | 8,097 |
| Other | 81,947 | 8,532 |
| TOTAL CURRENT LIABILITIES | 1,015,706 | 780,459 |
| PAYABLE TO SHAREHOLDER | 227,680 | - |
| OBLIGATIONS UNDER CAPITAL LEASES | 11,537 | 17,070 |
| MINORITY INTEREST (NOTE 4) | 15,448 | - |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock ($.001 par value) | - | - |
| Common stock $.001 par value; authorized 15,000,000 shares; issued and outstanding 10,840,000 at November 30 and 6,340,000 at May 31 (Note 5) | 10,840 | 6,340 |
| Additional paid-in-capital | 2,856,996 | 2,009,781 |
| Deficit | (1,866,723) | (1,700,722) |
| Cumulative translation adjustment | ( 21,085) | ( 42,106) |
| TOTAL STOCKHOLDERS' EQUITY | 980,028 | 273,293 |
| | $2,250,399 | $1,070,822 |

See notes to accompanying condensed consolidated financial statements.

EUROAMERICAN GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | For the nine months ended February 29, | | For the three months ended February 29, | |
|---|---|---|---|---|
| | 1992 | 1991 | 1992 | 1991 |
| **Revenues** | $2,609,406 | $1,684,818 | $1,187,114 | $ 575,670 |
| **Costs and Expenses:** | | | | |
| Direct costs relating to revenues | 1,271,767 | 871,932 | 690,685 | 273,664 |
| Selling, general and administrative expenses | 1,495,774 | 1,249,804 | 614,293 | 454,109 |
| Research and development | 31,629 | 137,115 | 7,748 | 45,709 |
| Other income (Note 3) | ( 30,000) | (172,000) | - | - |
| | 2,769,170 | 2,086,851 | 1,312,726 | 773,482 |
| Income (loss) from operations | (159,764) | ( 402,033) | (125,612) | (197,812) |
| Interest income (expense) | (5,448) | 6,176 | (2,942) | (48) |
| Loss before minority interest | (165,212) | ( 395,857) | (128,554) | (197,860) |
| Minority interest (Note 4) | (789) | - | (717) | - |
| **Net Loss** | $ (166,001) | $( 395,857) | $ (129,271) | $(197,860) |
| **Per share data:** | | | | |
| Weighted average shares outstanding | 6,888,888 | 6,340,000 | 7,973,333 | 6,340,000 |
| Net loss per common share | $ (.02) | $( .06) | $( .02) | $( .03) |

See notes to accompanying condensed consolidated financial statements.

EUROAMERICAN GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
For the Nine Months Ended February 29, 1992
(Unaudited)

| | Common Stock $.001 par value Shares | Amount | Additional paid-in capital | Deficit | Cumulative Translation Adjustment | Total |
|---|---|---|---|---|---|---|
| BALANCE June 1, 1991 | 6,340,000 | $6,340 | $2,009,781 | $(1,700,722) | $(42,106) | $273,293 |
| Issuance of shares | 200,000 | 200 | 99,800 | - | - | 100,000 |
| Net Loss | - | - | - | (166,001) | - | (166,001) |
| Issuance of shares for cash and subsidiary (Note 5) | 4,200,000 | 4,200 | 712,515 | - | - | 716,715 |
| Issuance of shares in payment of officers' bonds | 100,000 | 100 | 34,900 | - | - | 35,000 |
| Foreign currency translation adjustment | - | - | - | - | 21,021 | 21,021 |
| Balance, February 29, 1992 | 10,840,000 | $10,840 | $2,856,996 | $(1,866,723) | $(21,085) | $980,028 |

See notes to accompanying condensed consolidated financial statements.

EUROAMERICAN GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | For the nine months ended February 29, | |
|---|---|---|
| | 1992 | 1991 |
| CASH USED IN OPERATING ACTIVITIES: | | |
| Net loss | $(166,001) | $( 395,857) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Minority interest | 15,448 | - |
| Depreciation and amortization | 73,375 | 48,967 |
| Settlement of disputed liability | (30,000) | - |
| Payment of expenses with common stock | 35,000 | - |
| Changes in operating assets and liabilities: | | |
| (Increase) Decrease in: | | |
| Inventory | (76,952) | ( 81,173) |
| Receivables | (118,667) | ( 26,737) |
| Other current assets | 13,684 | ( 48,139) |
| Other assets | 58,027 | ( 5,917) |
| Increase in accounts payable and accrued expenses | 29,485 | 337,026 |
| Increase in other liabilities | 3,956 | ( 14,934) |
| Increase in payable to stockholder | 109,016 | - |
| Total Adjustments | 112,372 | 209,093 |
| Net cash used in operating activities | (53,629) | ( 186,764) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Payments under capitalized leases | (5,230) | ( 3,312) |
| Proceeds from sales of common stock | 800,000 | - |
| Net cash from financing activities | 794,770 | (3,312) |
| CASH FLOW USED IN INVESTING ACTIVITIES: | | |
| Capital expenditures | (73,958) | ( 115,281) |
| Purchase of EAG-PLC, cash in excess of net assets acquired | 25,458 | - |
| Net cash used in investing activities | (48,500) | (115,281) |
| FOREIGN CURRENCY TRANSLATION ADJUSTMENT | 21,021 | 23,612 |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | 713,662 | ( 281,745) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 197,285 | 554,316 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | $ 910,947 | $ 272,571 |

See notes to accompanying condensed consolidated financial statements

EUROAMERICAN GROUP, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated balance sheet as of February 29, 1992 and the related condensed consolidated statements of operations and statements of cash flows for the periods ended February 29, 1992 and 1991 have been prepared by the Company, without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at February 29, 1992 and for all periods presented have been made. The results of operations for the period ended February 29, 1992 are not necessarily indicative of the operating results for the full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with general accepted accounting principles have been condensed or omitted. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes included in the Company's May 31, 1991 filing on Form 10-K.

NOTE 2 - INVENTORIES

Inventory, consisting of electronic components, is stated at the lower of cost (FIFO) or market.

NOTE 3 - OTHER INCOME

In August 1990, the Company settled a lawsuit that it had brought against a former supplier. The Company received a settlement of $190,000 before deducting legal costs of $18,000. In November 1991, the Company settled a disputed liability for $30,000 less than its previously accrued amount.

NOTE 4 - JOINT VENTURES

In 1991, EAG entered into a 52% owned joint venture for the manufacture and development of computer hardware and software.

NOTE 5 - ACQUISITION AND SALES OF COMMON STOCK

A) Effective February 1, 1992, the Company issued 4,200,000 shares of its newly issued common stock to a shareholder in exchange for $700,000 and 100% of the issued and outstanding shares of EuroAmerican Group, PLC, a public limited liability Company ("EAG-PLC"). EAG-PLC is a licensee of the Company's stock quotation system in England and France. The transaction was accounted for as a purchase and valued at approximately $725,000 which reflects the cash received and the historical net book value of EAG-PLC at February 1, 1992. The operating results of EAG-PLC are included from February 1, 1992.

B) In November 1991, the Company sold in a private placement 200,000 shares of common stock at .50 per share. The proceeds of the sale were received in December 1991.

NOTE 6 - COMMITMENTS

In the third quarter, the Company entered into operating lease agreements for satellite transmissions and office premises in the U.S. and office premises in Chicago as follows:

| | Satellite | Office |
|---|---|---|
| May 31, 1993 | $ 120,675 | $ 21,956 |
| 1994 | 148,535 | 22,954 |
| 1995 | 154,502 | 22,954 |
| 1996 | 160,651 | 22,954 |
| 1997 | 167,080 | 17,964 |
| Thereafter | 687,881 | - |
| | $1,439,324 | $108,782 |

Item 2.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The Company reported a net loss of $166,001 for the fiscal period ended February 29, 1992 as against a net loss of $395,857 during the prior comparable period a decrease of $229,856. Revenues increased by $924,588 or 55%, expenses increased by $540,319 or 24%.

Revenue increases resulted principally from license fees from new customers using the Company's real time quotation product, EAG Plus, and increased brokerage revenues.

The Company generated approximately $459,000 in the period from commissions generated by securities brokerage transactions introduced in the United States on behalf of European citizens. This is a 75% increase from the previous fiscal period figure of $197,000.

The Company generated $2,150,000 in license fees, rental income and hardware sales in 1992 relating to the EAG Plus System. This is a 51% increase over the previous comparable period figure of $1,422,000 a trend that the Company expects to continue as it increases its penetration into the European and United States markets.

During 1992, the Company incurred approximately $1,496,000 in Selling, General & Administrative expenses, a 20% increase as compared with approximately $1,250,000 in 1991, reflecting increased overhead in connection with the sales and support of the EAG Plus System.

The Company expended approximately $1,272,000 during 1992 in direct costs relating to revenue, as compared with approximately $872,000 in the previous comparable period, an increase of 46%. This increase correlates with the increase in revenues.

During 1992, the Company expended approximately $32,000 in connection with research and development expenses, as compared with approximately $137,000 in the previous fiscal period. The Company expects that this expense will continue to decline as the EAG Plus System development process matures.

Financial Condition and Liquidity

During fiscal 1992, the Company entered into a series of transactions raising approximately $800,000 in cash by the issuance of 4,400,000 shares of its common stock. Additionally, as part of these transactions, the Company required a license in England and France. This Company has a positive cash flow. Continued growth of the Company supplemented by this additional capital, provides adequate liquidity and capital resources for the future.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report on Form 10-Q to be signed on its behalf by the undersigned thereunto duly authorized.

EUROAMERICAN GROUP, INC.

By: Hubert Scharnowski, Chairman,
Chief Executive Officer and
Chief Financial Officer

Dated: April 14, 1992